

Child Care Tax Credit

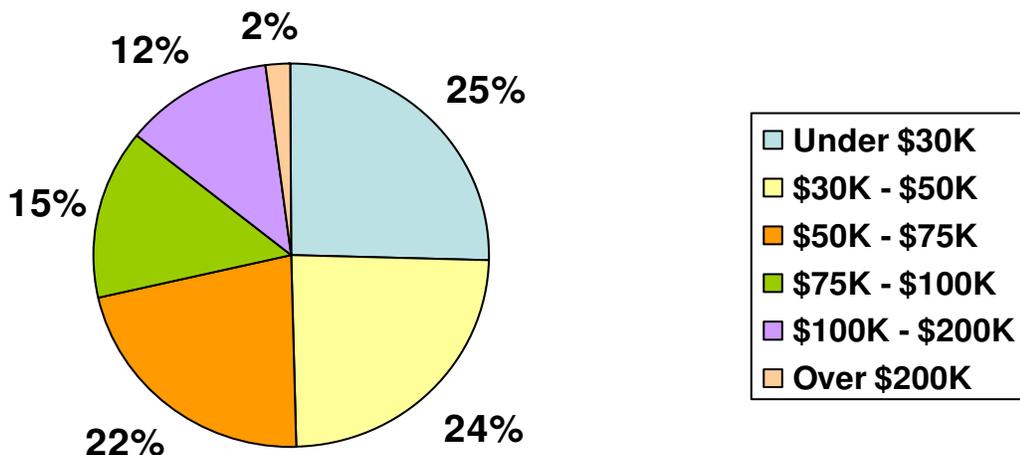
Governor's 2006 Legislative Agenda



Talking Points

- ✓ The Child Care Tax credit will help families by returning \$40-50 million to working parents to help cover the costs of child care.
- ✓ The Georgia credit may add \$50 - \$150 in tax relief per year per family, depending on their child care claims and income level.
- ✓ The Georgia credit will add another 30% to the federal credit, phased in over 3 years.
- ✓ The state credit will start at 10% of the federal credit in tax year 2006, growing to 30% of the federal credit by tax year 2008.
- ✓ The federal credit is nonrefundable and available to families at all income levels with employment-related expenses for children under the age of 13. The credit equals 20 to 35 percent of the amount claimed, depending on family income.

**Georgia Claims of the Federal Child Care Tax Credit
by Income Level**



*IRS Data 2003